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S-15.1

Executive Registry
76-8347/8

21 July 1976

MEMORANDUM FOR: Deputy Director for Central Intelligence

SUBJECT : CIA SIGINT and the House Appropriations Committee

1. The Surveys and Investigations Staff (S&I Staff) of the House Appropriations Committee has prepared two reports on SIGINT in CIA and the desirability of transferring that CIA program to NSA. The first is undated and provides the status of the survey as of 1 March 1976; the second, dated 29 April 1976, may be intended to be a final report, although the Staff recently returned to CIA for a short period to continue its work. It may possibly undertake additional investigations after the submission of an executive position on the issue, due on 30 September 1976. Presumably there will be hearings before the Appropriations Committee in early spring 1977.

2. The S&I Staff reports are polemical and one-sided. They were no doubt intended to be so, since Chuck Snodgrass has repeatedly said that he prefers adversary relationships. They must therefore be considered as briefs for the prosecution and not the results of an impartial investigation. This should be an important factor in formulating CIA's rebuttal and its continuing strategy towards the Committee.

3. The surveys are not very competent analyses. They twist and turn in every way to derive the maximum amount of resources that could be saved by a proposed wholesale transfer of CIA SIGINT to NSA. They argue that CIA Headquarters activities amounting to as much as [redacted]

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[redacted] could be eliminated as a result of such a transfer, although they are careful to estimate long-term yearly savings as perhaps only half of this amount. Since the annual cost of [redacted] positions is only

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about [] it is clear that, despite protests to the contrary, these savings are achieved only by gutting CIA SIGINT in toto, []

4. One way to rebut such sweeping assertions is to develop an equally legal and adversary tone in reply to the Committee. This is a fairly sizeable task, but a respectable case could be developed by hearing time in early 1977. There are problems, however, which argue against such an approach. One is that to defend itself, CIA would almost certainly have to attack NSA, arguing that NSA has never been able to do CIA's job and will never be able to do so. This puts CIA in the position of attacking NSA directly - and probably unfairly in many instances. Another is that the DCI is left with the burden of explaining why he could not simply order NSA to do CIA's job to get at least a comparable performance. Such an assertion is rhetorical and difficult to refute in principle. Therefore, I conclude that CIA must take another tack in its reply.

5. Another avenue, and one I believe worth examining in detail, is to prepare CIA's defense in much broader terms while lining up the CFI, OMB and NSA behind us. This defense presupposes the worth of CIA as a forward-looking, risk-taking, initiative-seeking partner of NSA and an active participant in the national SIGINT effort, with special interests in national/strategic intelligence. It also presupposes that such CIA resources should be protected from all out competition with the tactical needs of the Joint Chiefs and the military services, a point that wholly escapes the S&I Staff as do the imperfections of current NFIB SIGINT requirements mechanisms. The emphasis should be that consumers of national intelligence have requirements that need to be protected from tactical incursions; that CIA actually helps NSA by risk-taking and new collection and processing initiatives which are not constantly threatened by day-to-day military requirements; and that the CIA program can be worked out with NSA as a part of the national SIGINT plan.

6. CIA's ability to look beyond current requirements and take new initiatives before external conditions force them on the community are acknowledged by the S&I team in such areas as []

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[] The S&I Staff's only criticism, perhaps justified in some cases, is that we continue to hold on to some operations when we could - or should - have given them

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up. Their solution, however, is to give everything to NSA, thus destroying all CIA capabilities for the application of new and significant ideas in the SIGINT area.

7. I do not believe it possible for the Task Force to develop a fully documented argument of this sort by 30 September 1976 when a reply must be made to the Appropriations Committee. However, we can make appreciable progress. In fact, tactics may dictate that we not show our whole hand to the Committee, thus risking another prosecutorial rebuttal from the S&I Staff. However, it may be well to let them see the general outlines of our defense, without giving away the whole. In such case, I suggest that the Task Force begin to develop a reply along the following lines:

- a. Without getting too much into bitter detail, correct the facts of the S&I Staff report sufficiently to throw considerable doubts on its analysis and conclusions;
- b. Argue in general terms the special things that CIA can contribute to the national SIGINT effort;
- c. Declare our intent to pursue with NSA the most cost-effective ways to collect SIGINT while assuring that national intelligence does not suffer undue competition from tactical requirements;
- d. Say that we recognize the possibilities of savings in CIA management overhead and state that the SIGINT Task Force is examining organizational possibilities; and finally,
- e. State that we will be prepared to testify fully before the Committee at the time of hearings on CIA's FY 78 Congressional Budget.

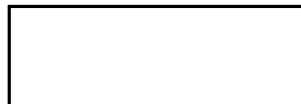
8. Since Committee Hearings on this subject may turn into Star Chamber proceedings, it behooves us to consider additional actions as well during the intervening months. Among the more important of these:

- a. Get solid CFI and OMB support;
- b. With Executive Advisory Group guidance, get some significant agreements with NSA;
- c. Pave the way for the possible use of NSC and Presidential leverage; and

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d. Privately brief some of the Appropriations Committee members to help them gain a better appreciation of SIGINT and of the CIA contributions thereto.



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Remarks: Hank:			
<p>This is a good paper, and I like the approach. The only thing I would add is I think the EAG should hear from [] in five or six weeks and then perhaps once again before the deadline for reporting back to the House Committee. Unless I hear to the contrary from you, I will schedule a presentation by [] as soon as we have gotten through the initial five sessions that you laid out for the EAG in our meeting on Wednesday, 21 July.</p>			
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FROM: NAME, ADDRESS AND PHONE NO.			DATE
James H. Taylor, Comptroller			7/26/76
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76-8347/7 25X1A

S-15.1

13 JUL 1978

MEMORANDUM FOR: Deputy Director for Central Intelligence

SUBJECT : SIGINT - Contact with NSA

Hank:

1. I think it is important to arrange a single contact point at NSA as soon as we can. The reason for some urgency is one of getting CIA and NSA together well in advance of the CFI's formulating its position toward the House Appropriations Committee, due on 30 September.

2. Aside from our posture toward the House, the arguments in favor of a single point-of-contact for the purposes of the SIGINT study are:

A. Gives CIA a focal point for asking informal questions of NSA and getting informal answers without obligating either side to take an official position. Such a question from CIA might be:

[Redacted]

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B. When CIA finally gets down to negotiating with NSA, there will be a better understanding of each others position;

C. Both CIA and NSA will be less vulnerable to the Congress' playing one side against the other;

D. CIA and NSA will have demonstrated early in the game that they are already engaged in a serious exchange of views;

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E. CIA and NSA will have a better understanding of what could be potential pitfalls in any solution that could be suggested by OMB, GFI or Congress; and finally,

F. Both sides can focus on a better long term relationship, while leaving day-to-day matters in existing channels.

3. You have on-board a proposed letter to Lew Allen on this matter. Since it was drafted in a hurry, you may like me to rework it. I stand ready.



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76-8347/5

9 JUL 1976

MEMORANDUM FOR:

SUBJECT : CIA SIGINT

1. As you know, outside reviewers--particularly the House Appropriations Committee--have raised questions about CIA activities in the SIGINT field. Whatever the nature and motivations of the questions, the subject is fair game for a deep and intensive internal Agency study.

2. At the heart of the subject are three issues we should resolve to our satisfaction:

A. What must CIA do in SIGINT in keeping with the CIA mission?

B. What can CIA do to help the Community at-large in this same area?

C. What savings in Agency resources are possible by changing the way we carry out our SIGINT mission?

3. We need to address these questions not only for the present but also for the future, paying close attention to the development of a continuing and clearly definable role for CIA SIGINT.

4. Finally, after developing findings in the above areas we need to develop clear options proposing ways for CIA

9 July 1982

to organize effectively to carry out its SIGINT mission. Such organizational alternatives should include a recommendation for the proper role of the CIA SIGINT Officer.

5. In order to accomplish this much needed rethinking of CIA's place in the SIGINT world, I am asking you to serve as my Special Assistant for SIGINT and as Chairman of a SIGINT Task Force to furnish definitive recommendations to me by 15 January 1977. During this period you will also serve as the CIA SIGINT Officer.

6. Because of the importance of this project, the Deputy Director for Operations and the Deputy Director for Science and Technology have agreed to release Chief, Division D, DDO and Mr. James V. Hirsch, Director, Office of ELINT, DDS&T, to act as full time members of your team. I have been assured that during this period they will separate themselves fully from their organizational and operational duties.

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7. It is imperative that the three of you deliberate in complete candor with full and equal access to all the information necessary to complete your job. It is equally important that you consider the issues without regard to any personal or bureaucratic complications that might arise therefrom. Your findings and recommendations must thus serve the interest of the Agency as a whole.

8. You should be prepared to report regularly on your progress to the Executive Advisory Group and should be alert to keep the Deputy Director for Operations and the Deputy Director for Science and Technology in your confidence, as to any major changes you may propose which could affect their directorates or the services and facilities furnished to them by the present Office of ELINT and Division D.

9. During your efforts, I am directing that there be no organizational changes affecting OEL or Division D and that there be no reprogramming of resources out of these two components without the explicit permission of the Comptroller.

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10. This will be a difficult and arduous task which will require the full dedication of yourself and your colleagues from Division D and the Office of ELINT. Recognizing this, I am asking that everyone in the Agency give you their fullest cooperation and support.

7s/ E. H. Knoche

E. H. Knoche
Deputy Director of Central Intelligence

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Remarks: Hank: <p>The feedback on the attached has been favorable. I have altered para. 9 slightly to meet objections that the original wording was unclear.</p> <p>On or about 1 August we shall have to get out another notice assigning Hirsch and [] to the Task Force and naming [] and [] as Acting heads of their organizations.</p> <p>We also ought to get cooking with a single NSA contact as soon as possible. I shall send you up my thoughts on this directly.</p>			
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S-15.3

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MEMORANDUM FOR: []

SUBJECT : CIA SIGINT

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[]

1. As you know, outside reviewers--particularly the House Appropriations Committee--have raised questions about CIA activities in the SIGINT field. Whatever the nature and motivations of the questions, the subject is fair game for a deep and intensive internal Agency study.

2. At the heart of the subject are three issues we should resolve to our satisfaction:

A. What must CIA do in SIGINT in keeping with the CIA mission?

B. What can CIA do to help the Community at large in this same area?

C. What savings in Agency resources are possible by changing the way we carry out our SIGINT mission?

3. We need to address these questions not only for the present but also for the future, paying close attention to the development of a continuing and clearly definable role for CIA SIGINT.

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4. Finally, after developing findings in the above areas we need to develop clear options proposing ways for CIA to organize effectively to carry out its SIGINT mission. Such organizational alternatives should include a recommendation for the proper role of the CIA SIGINT Officer.

5. In order to accomplish this much needed rethinking of CIA's place in the SIGINT world, I am asking you to serve as my Special Assistant for SIGINT and as Chairman of a SIGINT Task Force to furnish definitive recommendations to me by 15 January 1977. During this period you will also serve as the CIA SIGINT Officer.

6. Because of the importance of this project, the Deputy Director for Operations and the Deputy Director for Science and Technology have agreed to release Chief, Division D, DDO and Mr. James V. Hirsch, Director, Office of ELINT, DDS&T, to act as full time members of your team. I have been assured that during this period they will separate themselves fully from their organizational and operational duties.

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7. It is imperative that the three of you deliberate in complete candor with full and equal access to all the information necessary to complete your job. It is equally important that

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you consider the issues without regard to any personal or bureaucratic complications that might arise therefrom. Your findings and recommendations must thus serve the interest of the Agency as a whole.

8. You should be prepared to report regularly on your progress to the Executive Advisory Group and should be alert to keep the Deputy Director for Operations and the Deputy Director for Science and Technology in your confidence as to any major changes you may propose which could affect their directorates or the services and facilities furnished to them by the present Office of ELINT and Division D.

9. During the period of your efforts, I would expect no fundamental changes in the current organization and resources of OEL and Division D. I am, therefore, directing that the Comptroller be consulted before any such changes are effected.

10. This will be a difficult and arduous task which will require the full dedication of yourself and your colleagues from Division D and the Office of ELINT. Recognizing this, I am asking that everyone in the Agency give you their fullest cooperation and support.

Enno H. Knoche
Deputy Director

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29 June 1976

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S & T.

MEMORANDUM FOR: Deputy Director for Science and Technology

Les:

1. Thank you for your memo of 28 June concerning CIA SIGINT. My comments on it follow below. If you would like, I will be glad to assemble the EAG members for further discussions.

2. First, given the size and scope of the Agency SIGINT program and the rather threatening gestures being made on the Hill about that program, we must indeed take more specific and stronger steps than we have taken to date to sort out the issues. The program and our internal SIGINT structure are things that have been looked at ad infinitum over a lengthy period of time. I am not convinced that a further "study" is apt to advance the prospects for solutions based on wisdom.

3. I know that the establishment of a project to deal with this issue is one that can be organizationally and procedurally disruptive, and yet I am convinced that the nature of the large issues confronting the Agency call for special means and arrangements. In short, I think all of us can learn to be comfortable as we experiment with ways of thinking new thoughts and finding new solutions to perennial problems.

4. The last thing in the world I want to do as we experiment with the issues is to close off the visibility of our efforts. As the temporary project manager of Agency SIGINT, [] would report to me, and I will ensure that there will be frequent and periodic discussions on the status of the whole thing at meetings of the EAG. In addition, it is clear to both [] and me that he will get nowhere without staying in close contact with you, Bill Wells and others with a stake.

5. I agree with you that the way we organize our SIGINT program is a basic question. But I think our consideration of that question can accompany our examination into other fundamental questions. For example, what must we do in SIGINT in keeping with the CIA mission? What can we do to be helpful to the Community at large in the SIGINT field? And what prospects are there for savings, if any?

6. Having said all this, I can assure you right at the outset that I have no intention of junking the essential and valuable technology-pushing done so well in your Directorate in this area.

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7. In short, I can well understand your concern as DDS&T about the implications of what we intend here, but I ask you as a member of the EAG (this is not the same necessarily as the DDS&T) to help us develop a collective approach to a very pressing problem.



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E. H. Knoche

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Remarks: Hank: Attached is a proposed instruction setting up the SIGINT task force and establishing my position as chairman. I don't think it should be controversial. Do you think para. 7 sounds a little gratuitous? <div style="text-align: right;"> <input type="checkbox"/> </div>					
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S-15.3

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DD/S&T-2931/76

28 June 1976

S-15.1

MEMORANDUM FOR: Deputy Director for Central Intelligence

FROM : Leslie C. Dirks
Deputy Director for Science and Technology

SUBJECT : CIA SIGINT

1. At the last (and first) EAG meeting you raised the question of CIA SIGINT and handed around a memo addressed to [] directing him to take actions toward the end of sorting out the CIA SIGINT Program. Subsequently, [] and I lunched together and spent some further time discussing the SIGINT issue. The purpose of this note is to pass along to you my thoughts on this very important problem, all of which [] and I discussed.

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2. Very briefly, I totally agree that the [] Program is not what it could or should be, and needs to be examined and restructured. The external pressure, from Congress in particular, makes this a matter of priority and an urgent issue.

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3. In my view, the principal reason we now face this problem is because the Agency has too long deferred the problem of restructuring the management of the CIA SIGINT Program. This problem has been raised several times within my ken; however, most recently, three years ago, in context of the Schlesinger motivated R&D organizational changes. However, Schlesinger left, Mr. Colby came to office after an extended confirmation process, and the Deputy Directors found it convenient to drop the issue.

4. As I view the matter, the organizational issue and the SIGINT Program definition and planning issue are separable and only loosely interdependent. However, it will be very difficult to sort out a rational, defensible CIA SIGINT Program without first addressing the question of how the program should be managed. Further, I see no problem with addressing and resolving the management question directly and expeditiously.

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SUBJECT: CIA SIGINT

5. More difficult is the question of defining the CIA SIGINT Program. I think we must make substantial progress on the CIA SIGINT Program plan before next Spring's FY-78 Congressional Appropriation Hearings if we are to minimize the risk of losing all or most of the program through an adverse House Appropriations Committee action. Our program in its current form is not as defensible as it could be.

6. Commenting on your 26 June draft letter to [] I think the idea of establishing a separate SIGINT Group for some interim purposes poses some difficulties and only postpones the basic management decisions that must be made in any case. In fact, this approach may make the management decisions ultimately harder and not easier. As I mentioned above, I see no problem in the current environment of management taking a direct and immediate course of action.

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7. I do believe that there is a solid supportable CIA SIGINT mission. Furthermore, it is important that CIA remain in the SIGINT business. Although the program has been under attack from Congress, there is surprisingly broad support from outside the Agency - including important elements at NSA. The current DIRNSA has agreed to language in both Executive Order 11905 and in the redrafted NSCID Six which provides a documented basis for a CIA program.

8. One final thought that I passed along to [] is that although I do not favor the idea of setting up this interim SIGINT Group arrangement, I do think [] is exactly the right man to play a key role in sorting out the SIGINT plan; however, I think there are other and better ways of drawing on [] experience and capabilities short of the SIGINT Group idea.

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9. I am pleased that you have put this issue at the top of your list. I would be glad to have a chance to discuss this matter with you further before you make any final decisions on how we should proceed.

[]

LESLIE C. DIRKS

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MEMORANDUM FOR: Hank

Attached are some thoughts on the SIGINT problem as a follow-up to the last EAG meeting. I have talked with several times on this question, but I am not quite sure on the status of your thinking. I hope this is not too late to be useful.

Les Dirks

Date

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